

PUBLIC TRANSPORTATION FUND

CAPITAL IMPROVEMENT PROGRAM

Introduction to Program, Program Goals and Key 2003-2008 Issues

The purpose of the Public Transportation Fund Capital Program is to provide for the ongoing replacement of aging infrastructure and to support service delivery and expansion. The fundamental goal of this program is to achieve the optimal set of capital assets in conjunction with levels of service that best satisfy the mission, goals, and objectives of Public Transportation. The 2003-2008 public transportation capital improvement program (CIP) totals \$610.3 million, with \$307.8 million requested for 2003. The CIP focuses on maintaining existing infrastructure and systems, providing the physical capacity needed to meet projected service changes and supporting the six-year service plan.

As a result of the current recession, the operating and capital programs that were envisioned in the 2002 adopted budget have both been scaled back. The 2002-2007 six-year plan (6YP) was adopted in mid-2002.

In the 2003-2008 time period, Transit is going to see the completion of a number of major projects which have been in the planning and design stages for several years and are now at the point of construction. It has been several years since Transit was responsible for constructing so many projects of this size and type.

There continues to be uncertainty about the impacts of Sound Transit Light Rail on the Metro Transit system. While joint operation of buses and light rail has been agreed to, the timing of tunnel closure and the scope of work to be performed at that time have yet to be finalized. Choices made for light rail and other Sound Transit services will be likely to affect this CIP within the six-year planning period. In addition, transportation-funding packages at both the state and local levels have included allocations for public transportation. Service growth beyond the amount envisioned in the currently proposed budget will require additional capital assets – both buses and bases.

Project Prioritization Methodology

The capital improvement program funds projects based on the following priorities: 1) **maintaining** infrastructure and replacing aging fleets; 2) **supporting** implementation of the service delivery system adopted in the 6YP; 3) **replacing** outdated and unsupported information systems; 4) **increasing efficiency** or productivity that offsets the cost of investment; and 5) **forming partnerships** with other jurisdictions and businesses throughout the region. The Transit Division annually reviews the CIP to ensure that funding is consistent with the established priorities and that both regional priorities and the requirements of each group within Transit are balanced within anticipated funding constraints. These priorities are outlined in the adopted 6YP for 2002-2007.

Consistent with these priorities, the largest portion of this program is associated with maintaining infrastructure. Roughly 56% of the total CIP is related to the maintenance and replacement of existing assets. Another 21% of the CIP are related to the expansion of capacity, consisting primarily of additional base capacity and vehicles. Support for the 6YP, in the form of enhancement of passenger facilities, makes up 14% of the program. Expenditure on projects with partners comprises 7% of the total. Replacement of aging information systems and other minor projects constitute the remaining 2% of the total CIP.

The proposed program for 2003 includes three new initiatives: Tunnel Closure Modifications, Montlake Bike Station, and Passenger Facilities Project Formations. Information about these projects can be found in Transit's proposed CIP book.

Appropriation (Budget) Request

The budget authority requested for 2003 totals \$307.8 million, which includes the disappropriation of funds for some projects. Appropriation requests for each project reflect amounts that will either be spent or committed on projects during 2003. The total available for expenditure in 2003 will include the requested budget authority added to the sum of the unexpended budget authority carried forward from the 2001 and 2002 adopted budgets.

A spending plan or cash flow plan is included for each project in the budget request. These plans show the expected pattern of spending throughout the project's life. Annual requests for budget authority are based on these cash flow plans, which also

take account of revenues, permit requirements, and other factors that determine the timing of project implementation.

Growth Management Act and King County Comprehensive Plan Issues

The Growth Management Act requires public transportation systems, including transit service and roads, be consistent with urban and rural land use plans. New land use developments must coincide with the implementation of improvements, strategies, or actions that maintain current level-of-service standards. One basic goal of the Transit Division is to provide new service concurrent with new development, since the presence of transit service may reduce the need for road improvements.

King County's adopted Six-Year Transit Development Plan (6YP) for 1996-2001 described a plan of countywide transit service strategies and outlined the range of capital projects necessary to support the service plan. A new Six-Year Plan was developed for the period 2002-2007 and adopted by the King County Council in mid-2002. This plan represents the first phase of implementing the transit strategies contained in the King County Comprehensive Plan, which covers the next 20 years. The current Capital Improvement Program goes beyond the time horizon of the adopted 6YP to 2008.

The proposed 2003 CIP is consistent with the strategies and service levels proposed in the newly adopted Six-Year Plan.

Financial Planning and Policy Overview

One fourth of the total sales tax collected for King County Metro Transit (0.2 percent out of a total of 0.8 percent) is assigned to the Transit capital program. The current forecast for sales tax

collections in King County is substantially less than what was assumed in the 2002 adopted budget, reflecting the effects of the recession that began in early 2001. Economic recovery in the region is expected to lag somewhat behind a general recovery on the national level because the aerospace and telecommunications industries and the “dot.coms” were especially hard-hit. These sectors have historically been among the most important foundations of the regional economy. Current revenue forecasts assume recovery beginning in 2003 but not showing significant growth until 2004.

While State grant projections have diminished substantially as a result of Initiative 695, forecasts of available Federal transportation grant revenues remain optimistic. Current projections are based on recent history that has seen strong growth in federal funds available for this region, which are considered an essential element in the financial plan for the capital program. Federal budget decisions and regional competition for available funds have the potential to impact revenue forecasts adversely. The reauthorization of the Transportation Equity Act of 2001 (TEA21) in substantially its current form is one key to the continued stability of federal grants.

Contributions from the Revenue Fleet Replacement Fund are made to the CIP fund in years when fleet vehicles are purchased. The target contribution to the CIP is equal to the portion of fleet costs not supported by grant funding from state or federal sources. The RFRF fund balance requirements are based on annually updated projections of future fleet procurement needs and anticipated grant funding. The RFRF is funded mainly with

sales tax revenue and Federal grants that are contingent on performance of prescribed “preventive maintenance” activities.

In past years the operating program has contributed to the capital fund. Beginning in 2003, however, the financial plan includes an assumption that the capital fund will begin to make significant ongoing contributions to the operating program. During the time period of this CIP, the amount being contributed ranges from \$56 million in 2004 to \$40 million in 2008. These contributions are consistent with the changing revenue sources and planned levels of service throughout the planning period.

The financial plan for the public transportation fund assumes the issuance of \$99.0 million in long term debt. Current financial policies limit the use of long-term debt to projects with a projected useful life of 25 years or more. The following projects meet this requirement for debt financing: the Central/Atlantic base expansion, the power distribution headquarters construction project, the south county bus base, the communication center relocation, and the support function relocation. Short-term interfund borrowing is not currently projected for the program. Based on current project schedules, the first issuance of long-term debt is planned to occur in 2003 and further debt financing would take place annually through 2006.

The 2003 financial plan assumes that under-expenditures will occur each year from 2002 through 2008. In estimating the amount of under-expenditure, it is assumed that fleet procurements will occur as scheduled and that both grant and debt funded expenditures will also occur as scheduled. Lower expenditures in grant and debt funded projects would result in an equal reduction in revenue for no net impact to the fund balance.

From an initial program total of \$909.1M, underexpenditures are expected to reduce the program expense to \$887.3M, a reduction

of \$21.8M in the 2002-2008 time period. CIP Program Accomplishments and Completion Lists

Council Adopted Changes:

Council made the following changes to requested project appropriations or provided budget authority for new projects in the 2003 Transit CIP:

- *Elliott Bay Water Taxi – added \$150,000*
- *Move Support Functions – removed \$99,486*
- *Passenger Facilities Project Formations – removed \$200,000*
- *Control Center Replacement – removed \$932,049*
- *North Bend Park and Ride Lot [new project] – added \$200,000*

PROVIDED FURTHER THAT:

The Transit Division shall submit a report by March 1, 2003 on alternatives to constructing a new facility in which to locate the Control Center, the Transit Police and the Service Quality Group. The report should describe the locational and operational requirements of each of these activities and examine the suitability for this purpose of existing County buildings including, but not limited to the King Street Center, the Yesler Building and the former FAA building at the King County International Airport.

The original and 16 copies of the suitability analysis must be transmitted to the Clerk who will retain the original and forward the copies to each Councilmember and to the lead staff for the Transportation and Regional Transit Committees.

PROVIDED FURTHER THAT:

Of this appropriation (CIP project A00531, Move Support Functions), \$50,000 (the full appropriation) shall be expended only for a detailed suitability analysis of existing county buildings to accommodate the Transit Police, the Service Quality Group and the Control Center. The suitability analysis should be conducted with the assistance of the Department of Construction and Facilities Management and address any extraordinary facility requirements associated with these activities.

The original and 16 copies of the suitability analysis must be transmitted to the Clerk who will retain the original and forward the copies to each Councilmember and to the lead staff for the Transportation and Regional Transit Committees.

PROVIDED FURTHER THAT:

Of this appropriation, \$1,963,535 shall be expended only on CIP project A00201, ADA Fleet Mobile Data Terminals, after the Council has received and approved by motion a report on the results of the Transit Division's Mobile Data Terminals 30-vehicle pilot program. The report required by this proviso must be filed with the Council Clerk. The original and 16 copies of the report must be transmitted to the clerk who will retain the original and forward copies to each Councilmember and to the lead staff of the Transportation and Regional Transit Committees.

Construction Projects Completed in 2001
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A00230 Customer Security
A00451 University District Staging Project
A00507 Renton Transit Center-Pass Thru
A00096 Bellevue Transit Priority
A00452 D&C Work Process Cont. System
A00503 Hastus Upgrade & OPT MOD
A00236 Route 36 Extension Turnback
A00502 Broad Street Station Lease Renewal
A00315 System/Network-DB MGMT

A00401 Kingdome Multimodal
A00024 Bellevue Base Refurbishment
A00233 Rte. 44 Transit Corridor
A00219 Emergency Control Center
A00460 King Street Center Miscellaneous
A00223 Ped/Bike Access Improvements

Construction Projects to be Completed in 2002
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A00014 Substations Renovation
A00229 Bicycle Storage Improvements
A00026 Van Distribution Center
A00042 Issaquah Park and Ride
A00072 Tunnel Safety and Enhancement
A00113 25-ft. Transit Vans
A00212 40-ft. Trolley Buses
A00224 Rural Towns Park and Ride
A00413 P&R Capacity Enhancement
A00415 Automated Trip Planning-Pass Thru
A00477 Regional Fare Coordination-Pass Thru
A00045 Route 7 Corridor Improvement

A00058 Automated Trip Planning
A00319 Registering Farebox System
A00321 APC Software Conversion
A00326 Operations Support System
A00528 Kent 5th Floor Parking Ramp
A00454 Replace Lake Union Facility
A00525 IBIS Software Upgrade - 2001
A00526 GIS Street Network

Construction Projects Expected to be Completed in 2003

A00010 ADA Mobile Data Terminals
A00221 Bus Zone Com/Safety – 6-year
A00318 Customer Response Information System
A00330 Maintenance Auto-Tracking System
A00331 ADA Broker Equipment
A00473 TDC – Urban Amenities
A00484 Northgate TOD Park and Ride
A00486 Eastgate Park and Ride Lot
A00561 Montlake Bike Station
A00562 Transit HR Document Storage

